



Public Service Commission
State of North Dakota

COMMISSIONERS

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Executive Secretary
Jon H. Mielke

December 13, 1996


Office of Secretary
FCC
1919 M St NW Rm 222
Washington D C 20554

RE: CC Docket No. 96-45

Enclosed are North Dakota Public Service Commission comments concerning the
Federal-State Joint Board's Recommended Decision regarding universal service.

[REDACTED]

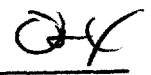
Sincerely,


Illona A. Jeffcoat-Sacco, Director
Public Utilities Division

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Enclosures

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**Before the
Federal Communications Commission
Washington, D. C. 20554**

**In the Matter of
Federal-State Joint Board on
Universal Service**

FCC 96-93

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CC Docket No. 96-45

COMMENTS BY THE NORTH DAKOTA PUBLIC SERVICE COMMISSION

December 12, 1996

The North Dakota Public Service Commission (NDPSC) submits the following comments concerning the Federal-State Joint Board's Recommended Decision regarding universal service. Also, the NDPSC may be filing a supplement to these comments following its public information exchange on December 18 concerning issues related to rural health care providers, schools and libraries.

The issues in this Common Carrier Bureau proceeding are very important because North Dakota is a less densely populated state and changes in the definition of universal service and changes in the level of funding or methods of supporting universal services will have a significant impact on our state. We support the national principles which work for the preservation and advancement of universal service. We hope that any universal service rules made by the FCC will be fair to both rural and urban America. North Dakota rural telephone companies need fair, high-cost assistance from the Universal Service Fund so that they can continue to offer affordable, quality telecommunications services to their customers.

The North Dakota PSC is concerned about all issues addressed by the Joint Board and the FCC, but we have chosen specific issues for comment.

Definition of Universal Service - Technical Performance Reporting

The North Dakota Public Service Commission feels that it is important for there to be information on service quality that would enable comparisons between the performance levels of various telecommunications carriers. This could create a market-based incentive for carriers to provide quality services. We believe that by providing consumers with easy access to publicly available data on the performance level of various carriers, carriers could potentially be spurred to compete for customers, among other things, on the basis of service quality in an increasingly competitive telecommunications marketplace.

At the present time most North Dakota carriers are not required to provide Automated Reporting Management and Information System reports to the FCC. In North Dakota, only U S WEST is required to provide this information. We have 22 other facility based local exchange carriers, and in the future there may be non-wireline companies providing local exchange service as well that at present are not required to send this information to the FCC, or to the North Dakota Public Service Commission. Under North Dakota law, all of the Rural Telephone Cooperatives and the telephone companies which serve less than 8000 lines are exempt from quality of service oversight by the North Dakota Public Service Commission. Of the 23 local exchange companies serving North Dakota subscribers, only three provided copies of ARMIS reports to the ND PSC on an annual basis.

To our knowledge, there is no industry organization in North Dakota that is collecting performance information and making this information public. Therefore, in North Dakota, we believe that the FCC should undertake efforts to collect quality of service data in addition to those already in place with respect to price cap local exchange companies and that the FCC not rely on service quality data collected at the state level because there may be none available. We feel that it would be prudent to further review the need for quality of service reports as local service competition develops. We do not have a specific suggestion for the frequency that the FCC should review the need for those reports.

Definition of Universal Service - Revisiting the Definition of Universal Service

The NDPSC supports the Joint Board recommendation to convene a Joint Board no later than January 1, 2001, to revisit the definition of universal service.

Carriers Eligible for Universal Service Support

The NDPSC supports the Joint Board recommendation that the FCC conduct periodic reviews to ensure that universal service is being provided in the circumstance that a state has insufficient resources to support such monitoring programs.

Support For Low-Income Consumers

The NDPSC heartily supports the Joint Board recommendation that, in order to be eligible for support from the new national universal service support mechanism(s), carriers must offer Lifeline assistance to eligible low-income customers. In North Dakota, some of our low income subscribers do not have access to the Lifeline and Link-up programs because they are customers of Rural Telephone Cooperatives or small companies which do not participate in these programs.

Support for Schools and Libraries

The NDPSC supports the Joint Board recommendation that Internet access and electronic mail be supported by federal universal service funds. We especially support application of the discount to arrangements necessary to obtain conduit access to the Internet even though the conduit may be long-distance dial-up. Many communities in North Dakota are without a local Internet service provider.




The NDPSC supports the Joint Board recommendation that additional universal service support for schools and libraries take into account the cost of service in an area. As the Joint Board recommends, it may be appropriate to define high cost areas by considering the unseparated loop costs of the incumbent local exchange telecommunications carrier.

The NDPSC does not support the Joint Board recommendation that internal connections be included within the discount program for schools and libraries. Many years ago, after extensive and lengthy hearings, the NDPSC found it in the public interest that the internal connections of both residence and business customers be owned and maintained by the customer. We support others' comments that internal connections are the property and responsibility of the property owner. If the FCC finds that most states do not agree with this principle, we encourage the FCC to allow states to decide whether to support internal connections as part of their state universal service support mechanism.

Administration

The NDPSC supports the Joint Boards recommendation that the FCC appoint a universal service advisory board to designate a neutral, third-party administrator as opposed to individual state Public Utility Commissions.

PUBLIC SERVICE COMMISSION

		
Bruce Hagen Commissioner	Susan E. Wefald President	Leo M. Reinbold Commissioner